

Resolution #124, 2012
TOWN OF LUMBERLAND
RESOLUTION OF THE TOWN BOARD

WHEREAS: a proposal has been made to establish a Service Award Program for active volunteer firefighter members of the Lumberland Fire Department, Inc.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1 The Town Board of the Town of Lumberland, as authorized by Article 11-A of the New York State General Municipal Law, directs that there shall be a public referendum of eligible voters residing in the Town of Lumberland on the Tuesday, November 6, 2012 general election to determine whether such Service Award Program shall be established effective January 1, 2012.

Section 2 The type of program shall be a defined contribution plan as described in Section 218 of Article 11-A. All active volunteer firefighters who are at least 16 years old and who are either Active Members or Active Members on probation of the Lumberland Fire Department, Inc. in accordance with the by-laws of the Lumberland Fire Department, Inc. shall be eligible to become Service Award Program Participants. Unless participation is waived, an eligible person shall become a Participant on December 31st, the last day of the first Program Year beginning on or after calendar year 2011, during which he or she earns a year of Service Award Program Service Credit.

Section 3 This Service Award Program shall be administered by the Town of Lumberland/Town of Lumberland Town Board.

Section 4 Active Members of the Lumberland Fire Department, Inc. shall have the opportunity to earn pension-like benefits, as well as pre-Entitlement Age death and disability benefits, under the Service Award Program. For each year of Service Award Program Service Credit earned not in excess of 40 years, a \$600 contribution shall be credited to a Participant's Service Award Program account. The sum of the contributions earned by the Participant, plus investment income earned or allocated to the Participant's account, less any investment related expenses and other administrative expenses associated with the Participant's account shall be the Participant's Accrued Service Award on a given date.

A Participant shall be paid his or her Accrued Service Award in a lump sum payment calculated as of the December 31st of the Program Year immediately following attainment of age 65, the "Entitlement Age". Such payment shall be made as soon as

(2)

administratively possible in the following Program Year. By the adoption of a resolution, the Town Board may add other actuarially equivalent forms of such payments.

The pre-Entitlement Age death benefit shall be a lump-sum payable to the Participant's designated beneficiary equal to the Participant's Accrued Service Award as of the December 31 preceding death. If the Participant earned a contribution during the year of death, such contribution shall be paid subsequently, as soon as administratively possible after the December 31 on which it is earned.

A pre-Entitlement Age Participant shall be eligible to be paid a disability benefit payment under the Service Award Program if such Participant is granted a total and permanent disability by the Social Security Administration, or by any entity which pays benefits under the Volunteer Firefighters' Benefit Law, or by any other authority approved by the Town Board. Such disability benefit shall be a lump-sum payment equal to the Participant's Accrued Service Award as of the December 31 preceding the date the disability benefit shall be awarded by the Town Board. If the Participant earned a contribution during the year the total and permanent disability is granted, such contribution shall be paid subsequently, as soon as administratively possible after the December 31 on which it is earned.

Section 5 A year of Service Award Program Service Credit shall be earned by an Active Member for each Program year after calendar year 2011 during which the Active Member earns at least 50 "points" for participating in the volunteer firefighter activities set forth by the Town Board in the Service Award Program "Point System" as authorized by Section 217 of Article 11-A of the General Municipal Law, and during which he or she agrees to participate in the Service Award Program. A copy of the Point System is attached to this Resolution and shall be distributed to all Active Members. The Town Board may amend the Point System, provided such amendments are adopted in accordance with and are allowable under all applicable statutes, rules and regulations. In the event the Point System is amended, a written explanation of the changes shall be distributed to Active Members within 180 days of the date such changes are adopted.

Section 6 Up to three (3) years of Service Credit may be earned under the Point System by eligible Participants for service prior to January 1, 2012 and after December 31, 2008 with the Lumberland Fire Department, Inc. To be eligible to earn credit for such service, an Active Member of the Lumberland Fire Department, Inc. must earn a year of Service Credit during calendar year 2012 or 2013. Additionally, an Active Member eligible to earn credit for service before January 1, 2012 who dies during calendar year 2012 or 2013 but after the date Town residents approve the proposition to establish the

(3)

program, shall be considered to have been a Participant at the time of his or her death and he or she shall be given credit for his or her otherwise allowable pre-2012 Service Credit, if during calendar year 2012 or 2013 he or she was prevented by his or her death from earning Service Credit under the Point System (as determined by the Town Board).

Section 7 Persons who become or continue to be Active Members of the Lumberland Fire Department, Inc. after attaining the Entitlement Age shall have or continue to have the opportunity to earn Service Credit under the Point System. The \$600 contribution earned by a post Entitlement Age participant during a Program Year shall be paid to the Participant as soon as administratively possible in the next succeeding Program Year, in the form of a lump sum.

Section 8 A Participant's Accrued Service Award shall become fully vested (i.e. a Participant shall obtain a non-forfeitable right to his or her Accrued Service Award) after: he or she earns at least five (5) years of Service Award Program Service Credit; or, attains age 65 while an Active member; or is awarded a Service Award program total and permanent disability benefit payment; or dies.

Section 9 As of December 31 of the year a non-vested Participant is no longer an Active member of the Lumberland Fire Department, Inc. such non-vested Participant's Accrued Service Award and earned Service Credit shall be forfeited. The forfeited earned Service Credit and Accrued Service Award shall be restored if such individual again becomes an Active Member of the Lumberland Fire Department, Inc. within five (5) years of the effective date of forfeiture and subsequently earns at least one (1) year of Service Credit under the Point System.

Section 10 Under Article 11-A of the General Municipal Law, the Town of Lumberland shall be the Service Award Program "Sponsor" and the Town Board shall establish and maintain a Service Award Program Trust Fund. The Town Board shall have the authority to manage or dispose of program assets held within the Trust Fund and shall do so in the interest of the Active Members who become participants in the program and the Participants beneficiaries. The Town Board may authorize individuals or entities to hold and invest the program assets and may seek investment counsel. The may also, by the adoption of a resolution at any time after the establishment of the Program, allow Participant to prospectively select the investments for their individual Accrued Service Award.

Section 11 The Town Board may retain a qualified firm to assist them to administer the Program.

(4)

Section 12 The total annual cost of funding the Lumberland Fire Department, Inc. Service Award Program benefits for current volunteers is estimated to be as much as \$25,000 or about \$1,000 per Active Member, including the cost of administration. The estimated annual cost to administer the program is about \$3,000. The annual cost for current Active Members is expected to decrease by about 30% after five (5) years when the cost of service awards earned for service before January 1, 2012 shall be fully paid. The cost of granting such credit is about \$7,500 per year payable for five (5) years.

Section 13 The Lumberland Fire Department, Inc. Service Award Program benefit payments shall commence to Participants effective January 1, 2013, once they and/or their beneficiaries qualify for payment.

Section 14 All other provisions of the Lumberland Fire Department, Inc. Service Award Program shall be in accordance with Article 11-A of the General Municipal Law as amended from time to time.

The appropriate officers of the Town of Lumberland are authorized to and shall take the necessary actions to carry out this resolution.

*A motion to waive the 5 day rule was made by Councilman Carr, seconded by Councilman Thiele, all in favor, so carried.

Town Board member Councilman Joseph Carr moved, Town Board Member Councilman James Akt seconded, and the Town of Lumberland Town Board Members, in a meeting held on August 29, 2012 voted as follows:

		IN FAVOR	OPPOSED
Town Supervisor	<u>Nadia Rajsz</u>	<u>X</u>	_____
Town Board Member	<u>Joseph Carr</u>	<u>X</u>	_____
Town Board Member	<u>James Akt</u>	<u>X</u>	_____
Town Board Member	<u>Ron Thiele</u>	ABSTAINED	_____
Town Board Member	<u>Jay Shafer</u>	<u>X</u>	_____

ADOPTED BY THE TOWN BOARD OF THE TOWN OF LUMBERLAND
VIRGINIA V. HORN, TOWN CLERK
AUGUST 29, 2012